From:	pennebaker
To:	"McInnis, Maurie D"
CC:	"Wolcott, David A"
Date:	11/16/2017 5:31:37 PM
Subject:	Budgets and plans for Project 2021
Attachments:	Project2021_Starting Over_Fall_2017.pdf

Maurie--

I'm attaching my report about plans for cutting the budget. As you will see, I have suggested three directions for the future of Project 2021:

1. Scaling back in line with your requests as well as the pressures to bring the TEC budget in line.   This will result in a significantly reduced Project 2021.
2. Shutting down Project 2021 and moving the units to other units in the Provost's Office.
3. Turning Project 2021 into an independent consulting group and moving the units (TEC, FIC) elsewhere.

I'm comfortable with all three options and would be happy, possibly enthusiastic to work on option 3. I look forward to talking with you tomorrow morning.

Jamie

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PROJECT
2021

Regents Centennial Professor of Psychology and Executive Director of Project 2021
Psychology webpage

8/24/2018

Strategic and Budgetary Plans for Project 2021

Fall, 2017

Project 2021 was inspired by the compelling idea that UT, like most universities, is not prepared for undergraduate education in the 21st century. We are witnessing new technologies in teaching and learning as well as major shifts in the hiring needs of employers and students. While there are definitely pockets of innovative teaching and learning at UT, we have been slow to react because of decentralized agendas and decision making, lack of incentives to encourage change, and lack of centralized resources to support change.

The original idea was UT needed to begin changing the university in three general ways:

- Redefining classes to allow for more flexibility in the ways they are offered, how long they last, and the amount of credit they are worth. With flexible courses, a dynamic catalog system would be required that would allow faculty to take advantage of innovative teaching methods and programs. With new models of classes, calendars, and catalogs, the university will be more flexible in changing curricula both within and across colleges.
- Drawing on new technologies to experiment with approaches to online and hybrid education, including large and small classes, self-paced classes, online practica, experiential learning, and new types of delivery models such as online modules, homework, class homework assignments, etc. Internet and online technology are changing the very foundation of teaching and learning. By taking advantage of big data to track student progress, we can develop personalized courses and curricula that meet student needs and demands.
- Building a smart lifelong learning program that rethinks what a student and college life is. Education in the 21st century must extend beyond the years in college. It should be available for all people over the course of their lives, including courses, degrees, certificates, and more specific skills. UT Austin should become the go-to institution for lifelong learning for alumni, local businesses and members of the community.

Each of these changes was expected to take several years. Almost two years into the existence of Project 2021, only minimal progress has been made. Although there are many reasons why Project 2021 is in trouble, the purpose of this report is to present three options for the future of Project 2021: scaling back, shutting down, or starting over as a consulting organization.

Scaling Back

The dire financial status of TEC has already had a significant impact on Project 2021. Since June, 2017, we have laid off and closed many positions, transferred PETEX to another College. To implement the 2018-2019 budget cuts from the Provost's Office and phase out our reliance on TEC reserve funds will result in reductions across all of Project 2021.

Table 1 shows the projected expenditures for 2017-2018 by funding source (Provost/Academic Core and TEC/Self-Support). The recurring funds from the Provost Office to Project 2021 total $2.5M per year, with about 41% going to the FIC, 44% to the Development Studio, and rest to the Research and

Assessment (RAM) group. The remaining approximately $1.8M of Project 2021 comes from the reserves (rather than profits) of TEC. Balances previously transferred from TEC currently fund about $1M for the central office, $350K for the Development Studio, $450K for the FIC (including the PTF program), and $10K for the RAM. The current plans are to cut $1M from the recurring core academic funds, and $870K funded by TEC balances in 2018-19. Absent new sources of funding, the remaining $950K funded by TEC-funded support of the FIC and the Dev Studio would be phased out over the next two years.

Table 1. Current projected expenditures for Project 2021, pre-cuts

Unit	Classification	Academic core	TEC/Self-support	Total
Central Office	Personnel	0	754,891	754,891
	Fringe benefits	0	166,076	166,076
	M&O	0	50,000	50,000
	Travel	0	22,000	10,000
	ASC	0	39,719	39,719
(total)		**0**	**1,032,686**	**$1,032,686**
FIC	Personnel	1,045,407	0	1,045,407
	Wages	0	22,000	22,000
	Fringe benefits	0	7,260	7,260
	Event costs	0	38,300	38,300
	PTF program	0	242,500	242,500
	Fac Innov grants	0	75,000	75,000
	Prof development	0	22,500	22,500
	M&O	0	18,248	18,248
	ASC	0	17,032	17,032
(total)		**1,045,407**	**442,840**	**$1,488,247**
RAM	Personnel	314,785	0	314,785
	Grad wages	69,000	0	69,000
	MOE	0	4,000	4,000
	Travel	0	6,000	6,000
	ASC	0	400	400
(total)		**383,785**	**10,400**	**$394,185**
Dev Studio	Personnel A&P	1,124,755	243,902	1,368,657
	Fringe	0	82,927	82,927
	Other	4,078	2,160	6,238
	ASC	0	13,160	13,160
(total)		**1,128,833**	**342,149**	**$1,470,982**
Grand Total		**$2,558,025**	**$1,828,075**	**$4,386,100**

Note: Academic core refers to funding from the Provost's Office; TEC funding is also referred to as Self-Supporting funds.

As can be seen in Table 2, the financial realities of the scaled-back model are sobering. The $1.87M cuts represent a 43% decrease from 2017-2018 to 2018-2019.

Table 2. Projected cuts for Project 2021 from FY 17-18 to 18-19

Unit	17-18 FY	18-19 FY	17-18 FY	18-19 FY	18-19	% cut
	Academic core	*Academic core*	*TEC/Self-support*	*TEC/Self-support*	*Totals*	
Central Office	0	**0**	1,032,686	**620,473**	$620,473	**39.9**
FIC	1,045,407	**426,578**	442,840	**183,977**	$610,555	**59.0**
RAM	383,785	**243,785**	10,400	**10,400**	$254,185	**35.5**
Dev Studio	1,128,833	**863,833**	342,149	**142,149**	$1,005,982	**31.6**
Grand Total	$2,558,025	**$1,534,196**	$1,828,075	**$956,999**	$2,491,195	**43.3**

Note: Provost columns, and later references to Provost funding, refer to academic core funding; TEC refers to TEC balances that were transferred to Project 2021 (self-supporting funds). The "% cut column" is based on the total funding cuts for FY18-19 based on each unit's FY17-18 budget (inclusive of both Provost and TEC sources).

For the Central Office, this means giving up two positions (Chief Innovation Officer and Administrative Services Officer), while retaining two TEC-funded positions (Chief Business Officer and Chief Operating Officer). Dr. Pennebaker, Executive Director, is funded separately through the Provost's office.

For the Faculty Innovation Center, we propose to cut the salary line by 59%, reducing the number of FTEs from 14 to 5½. This will essentially return the FIC back to the original Center for Teaching and Learning (CTL) allowing it to focus on teaching effectiveness, including one-on-one and small group training, workshops for departments and colleges, help for faculty designing new courses and using systems such as Canvas, and maintaining a basic website. There will also be some support for and administration of a small number of Faculty Innovation Grants.

Current FIC projects such as curriculum redesign, projects aimed at instructor training at scale, video training and course development, and similar projects would be phased out. There would be no budget available to support graduate student training and development. Because this is an important program, we recommend that it be moved to another office such as the Graduate School. Because of pre-existing agreements with the PTFs, we will continue funding the existing program but at reduced rates. Parts of the Provost Teaching Fellows (PTF) program such as the New Faculty Orientation and Eyes on Teaching

will need to be moved to another office (e.g., Faculty Affairs or UGS). One option is for the PTF program to be phased out over the next 2-3 years.

The Development Studio is funded by both the Provost's Office and the balances from TEC. In order to meet our budget targets, we are proposing total cuts of approximately $465K, a reduction of about 30%. This will result in an overall reduction of 7-8 full time staff and a reduction in the Project 2021 proportion of funding for other staff paid jointly by Project 2021 and Liberal Arts. The reductions will be spread across all aspects of course development and other services provided through Project 2021 with the exception of campus-wide Canvas support.

The Dev Studio estimates a reduction of 25% in course development and delivery capacity. In practical terms, this means reducing the number of courses offered, eliminating most plans for new courses, and cutting back on development of new methods. This can be managed so that total SCHs generated should drop by only 10-15%. The Dev group will also seek alternative funding by asking colleges, schools, and departments to share the costs of developing and offering current and future online classes.

The Research and Methods (RAM) group will continue to help both the FIC and the Central Office in assessing what works. Their budget will be cut about 35% which will result in two fewer staff positions (from 4 to 2) and a reduced number of hours to pay graduate students to help with data wrangling and analysis.

In terms of recurring costs, Project 2021 will be reducing its overall budget by over 40%. This is not a trivial amount for an initiative tasked to prepare higher education for the future. The scaling-back model assumes that Project 2021 continues as an initiative with the significantly decreased budget, retaining the FIC, TEC, and RAM, and doing what it can with remaining resources.

Can the central goals of Project 2021 realistically be addressed with the scaled-back model? Some work, like 3Cs, can continue under this model, but managing resource-constrained units of FIC, TEC and Dev Studio will continue to consume management bandwidth and limit the ability to focus on the educational innovation questions that are at the heart of Project 2021. If this option is chosen, it does not make sense for the current Executive Director to continue in this role, and he would work with the Provost's Office to find a suitable replacement.

Shutting Down

It's a small step to go from the scaling-back model to one where Project 2021 is phased out completely. Recall that the original idea of Project 2021 was that the office would only exist for five years and then would quietly disappear. All its functions would be shifted into existing or new university offices. By shutting down Project 2021 by the end of FY17-18, we would simply be moving the clock forward three years. Indeed, completing a project three years ahead of schedule could be viewed as a remarkable success.

For the FIC, the scaling back from 12 FTE to 4-5 means that most of the remaining resources will be needed to focus on basic teaching effectiveness. Given its goals, it would make sense to move FIC to a unit like UGS or Faculty Affairs, both of which are offices focused on promoting both faculty and student interactions within an educational setting. FIC would be moved by the end of FY17-18 in the shutting-down model.

Many changes are needed for TEC to thrive as an organization. TEC is central to Project 2021's vision of a lifelong learning network, which will be important for UT to embrace to prepare for education of the future. Ultimately, the vision would be for TEC to be under the direction of the Provost or perhaps the Senior Vice Provost for Academic Affairs and Dean of the Graduate School, linked in some way to other schools that offer professional programs and credit for non-degree seeking students. As a self-supporting unit, it should have full control over its resources, without being linked to other organizations as it has been for the past few years. TEC needs a director who has a background in continuing and professional education with the skills to begin rebuilding UEX and CPE and to manage day-to-day operations, indeed a skillset that is not often found in higher education. Fortunately, with cuts in personnel, reductions in deficit spending, and an increase in revenues, it is anticipated that TEC will generate a modest operating surplus this year. Once it is agreed that TEC will be independent of Project 2021, new administrative and financial arrangements with the Provost would need to be made.

The Dev Studio is in a slightly different situation than FIC and TEC because it resides concurrently in COLA and Project 2021. As with TEC, the Dev Studio is core to Project 2021's vision for future education, and it is ultimately envisioned as part of a separate unit within the Provost's Office. There is no current day-to-day management of Dev Studio within Project 2021, so the Dev Studio could transition from COLA directly to the Provost's Office when the timing makes sense for both groups.

With those three units transitioning away from Project 2021, all that would be left in Project 2021 after FY17-18 would be the Central Office (2 FTEs after the scaling back) and the RAM group (2 FTEs, 4 part-time graduate students after the scaling back). Both of these groups would be closed in the shutting-down model. Dr. Pennebaker would return to the teaching faculty.

The shutting-down model is not outlandish. It would increase the $1.87M cuts for FY18-19 by an additional $875K ($244K recurring funds from Provost's Office, $631K from TEC balances). Although financially smart, shutting down Project 2021 will return UT to a steady state of modest changes in teaching and technology. Innovation will continue to occur in select departments and colleges by many of our innovative faculty and staff. As peer institutions develop successful approaches to undergraduate education, UT could emulate their strategies at a fraction of the cost of being an early adopter.

Starting Over

The scaling-back and shutting-down models are different approaches that reflect reasonable fiscal decisions at the expense of developing a forward-thinking approach to undergraduate education. The appeal of Project 2021 has been that UT could be a university that is known as a leader in shaping higher education.

The promise of Project 2021 was that we would be able to make meaningful changes in a large traditional university because we had strong administrative support along with significant financial backing. With the knowledge of our challenges, can the original goals of Project 2021 be realized? We think they can but will require a new mindset that relies on:
- A singular focus on the top priorities of Project 2021
- Handing off tasks, offices, and personnel not directly related to the top priorities
- A serious and renewed commitment from the senior leadership of UT

The new Project 2021 must be focused on three goals: 1) course and curriculum reform as embodied by the 3Cs; 2) facilitating research-informed and technology-savvy approaches to instruction and learning; and 3) laying the groundwork for a broader approach to education that embraces lifelong learning. These goals will guide all major decisions of Project 2021.

As indicated in the shutting-down section above, FIC, TEC and Dev Studio would not remain part of Project 2021. After scaling back and transitioning FIC, TEC and Dev Studio elsewhere, the remaining Project 2021 staff would include the Central Office (Executive Director, COO, CBO) and the RAM team (2 FTEs, 4 PT GRAs). The team would start over in the role of a consulting group, with the President and Provost as the primary clients. We would like to add one support staff member, and temporary staff or consultants may need to be hired depending on task demands.

In its role as a consulting group, Project 2021 will systematically tackle the three goals listed above. Examples of the first round of topics we hope to tackle include:

1. 3Cs

As the co-chair of the recently formed 3C committee, the Executive Director will help set priorities, identifying both internal and external policies to be explored (e.g., workload credit, course numbering, scheduling, financial aid, THECB policies, etc.), and actively engaging with stakeholders (e.g., deans, academic advisors, faculty, and student groups) and relevant offices. Project 2021 would be intimately involved in supporting and coordinating the committee and subcommittees, ensuring communication with University leadership and other stakeholders, and preparing proposals and cost estimates. The output will be a set of vetted recommendations to the Provost with implementation plans and costs.

2. Educational technology

To facilitate research-informed and technology-savvy approaches to instruction and learning, the consulting role of Project 2021 would be to provide leadership for a Provost-charged faculty committee that would make recommendations to create a University-wide educational technology resource center, building from the work of the Dev Studio. The committee would develop a report that addresses how the center would be constructed, where it would live, how much it would cost, how it would be funded, how faculty would be engaged, how work would be prioritized, and how to assess the effectiveness of innovative methods. The committee or, more likely a subcommittee, would be devoted to the assessment of new educational technologies that could be broadly used by the university community. Coordination with ITS, the Development Studio, the FIC, and campus funding centers would

be needed. The initial work of this committee would be expected to last 6-12 months, but standing work groups would likely be needed in the years to come.

3. Lifelong learning

How do we, as an institution, create a lifelong learning network to prepare UT for the education of the future? The first step will be a working group that brings together faculty and representatives from schools across the university to develop a vision for a new organization that will enable the lifelong learning network. The new organization will focus on extending the reach of UT Austin, and must take the view of consumers (students, alumni, businesses, members of the community, etc.) to help them navigate the programs and resources the university has to offer beyond traditional degrees. With a vision for the new organization, the second task of the working group will be to agree on a job description and facilitate the hiring of a new director, who would report to the Provost's Office. Beginning conversations across schools and reaching general consensus prior to the arrival of a new director would help set the new director up for success. Project 2021 is positioned to help lead this working group based on what we have learned through TEC, the recent external review, and work with other schools. Of particular importance would be to build a strong advisory committee of alumni, business owners, students, and faculty.

As a semi-autonomous consulting group, Project 2021 would be able to take on additional projects from the Provost and President as needed. If additional resources were needed, we would negotiate for any funds that were required.